

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ALABAMA  
SOUTHERN DIVISION

In re HEALTHSOUTH	)	Master File No. CV-03-BE-1500-S
CORPORATION SECURITIES	)	
LITIGATION	)	<u>CLASS ACTION</u>
_____	)	
	)	
This Document Relates To:	)	
	)	
<i>In re HealthSouth Corporation</i>	)	
<i>Bondholder Litigation</i> , Consolidated Case	)	
No. CV-03-BE-1502-S.	)	
_____	)	

ORDER DISMISSING THE CLAIMS AGAINST  
DEFENDANT RICHARD M. SCRUSHY WITHOUT PREJUDICE

On July 22, 2010, the court held a hearing on various motions, including the “Agreed Motion To Dismiss the Claims Against Defendant Richard M. Scrushy Without Prejudice” (doc. #1715) filed by Bondholder Lead Plaintiff. Having considered the motion; the existing judgment against defendant Richard M. Scrushy in *Tucker v. Scrushy*, CV-02-5212 (Circuit Court of Jefferson County, Alabama); the fact that as part of the HealthSouth Settlement, Bondholder Plaintiffs’ Counsel negotiated an agreement pursuant to which Bondholder Class Members will receive a portion of the funds recovered from Scrushy; the fact that Scrushy will, in all likelihood, be unable to satisfy the existing judgment making any further litigation with him futile and impractical; the fact that Bondholder

Class Members were apprised of the proposed dismissal of claims and their right to object to such dismissal; and that no class member has objected to the dismissal; and all prior proceedings in this action, the court GRANTS the motion and FINDS and ORDERS as follows:

1. For the purposes of this Order, the court adopts all defined terms as set forth in the Stipulation of Settlement with Ernst & Young LLP, dated April 22, 2010 (doc. #1665) ("E&Y Stipulation"); and the Stipulation of Settlement with the UBS Defendants, dated April 22, 2010 (doc. #1664) (the "UBS Stipulation" and, together with the E&Y Stipulation, the "Stipulations"), and all capitalized terms used herein shall have the same meanings as set forth in the Stipulations.

2. The notice given to the Bondholder Class, including the individual notice to all members of the Bondholder Class who could be identified through reasonable effort, provided the best notice practicable under the circumstances of these proceedings and of the matters set forth therein, including the proposed dismissal of claims against Richard M. Scrushy, to all persons and entities entitled to such notice, and said notice fully satisfied the requirements of Federal Rule of Civil Procedure 23(e) and the requirements of due process.

3. Subject to and conditioned upon the Judgment (doc. # 1719) entered with respect to the Settlement with E&Y becoming Final, and the Judgment (doc. #1720) entered with respect to the Settlement with the UBS Defendants becoming

Final, the court DISMISSES WITHOUT PREJUDICE all claims in the Bondholder Action against defendant Richard M. Scrushy.

DONE and ORDERED this 26<sup>th</sup> day of July 2010.

A handwritten signature in cursive script, reading "Karon O. Bowdre". The signature is written in black ink and is positioned above a horizontal line.

KARON OWEN BOWDRE  
UNITED STATES DISTRICT JUDGE